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# Issue Brief

## Women and Health Coverage: The Affordability Gap

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**ABSTRACT:** Although men and women have some similar challenges with regard to health insurance, women face unique barriers to becoming insured. More significantly, women have greater difficulty affording health care services even once they are insured. On average, women have lower incomes than men and therefore have greater difficulty paying premiums. Women also are less likely than men to have coverage through their own employer and more likely to obtain coverage through their spouses; are more likely than men to have higher out-of-pocket health care expenses; and use more health care services than men and consequently are in greater need of comprehensive coverage. Proposals for improving health policy need to address these disparities.

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### Introduction

While lack of insurance is a major barrier to health care, having just any insurance does not guarantee access to affordable and comprehensive health care. In addition to the 44.8 million Americans without health coverage, there are an estimated 16 million more adults who, because of high out-of-pocket costs relative to their income, can be considered “underinsured.”<sup>1</sup> Although men and women are at similar risk of not having health insurance, women—whether insured or uninsured—are more likely to report cost-related access problems. These problems can be attributed directly to women’s lower average incomes compared with men and to their greater need for, and use of, health care services.

This issue brief examines the unique difficulties women encounter in obtaining and paying for health care. The data cited come primarily

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from three surveys: the Annual Social and Economic Supplement to the Current Population Survey (CPS), 2005; the Medical Expenditure Panel Survey (MEPS), 2004; and the Commonwealth Fund Biennial Health Insurance Survey, 2005 (see [Study Methods box on page 10](#)). In a companion report available from the National Women's Law Center, *Women and Health Coverage: A Framework for Moving Forward*,<sup>2</sup> the authors analyze various policy approaches to determine those that will best serve women's needs.

### Insurance Coverage Patterns

Currently, health insurance coverage patterns are similar for adult men and women (ages 19–64) in a number of ways, though important differences do exist. About two-thirds of nonelderly adults, or some 113 million people, are covered by employer-sponsored insurance. Another 10.3 million people (among whom women slightly outnumber men) purchase their health coverage through the individual insurance market; and 8.3 million men and women are insured through Medicare, military health coverage, or other sources. Medicaid insures nearly twice as many women as it does men (6.1 million vs. 3.5 million).<sup>3</sup>

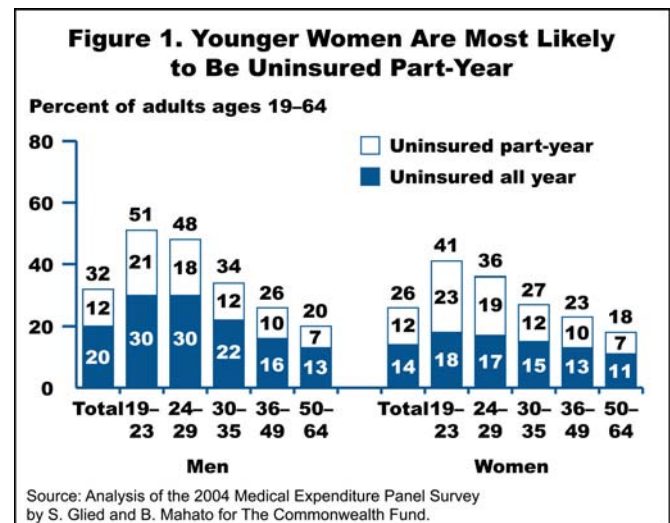
Although health insurance coverage is vital for timely and meaningful access to health care, 44.8 million Americans, including children, currently lack such coverage. Uninsured men and women are more likely to be younger, be single, have a low-income, work in small businesses, and belong to a racial or ethnic minority than those who are insured ([Table 1, p. 8](#)).

In order to investigate the extent to which insured and uninsured women are accessing needed health care, it is important to tease out their patterns of health coverage.

*Almost as many women are uninsured all year as are uninsured for part of the year.*

While 44.8 million people have no insurance for a whole year, many millions more people are unin-

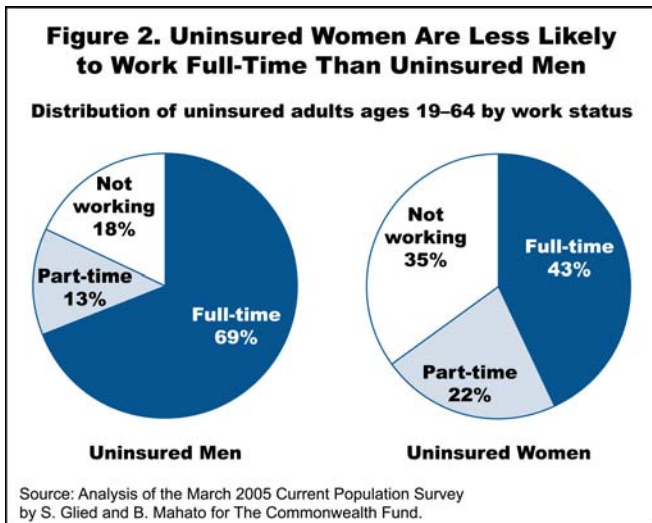
sured for months at a time. When examined over a two-year period, the data reveal that a total of about 80 million people are uninsured for all or part of that time.<sup>4</sup> For women, being uninsured part of the year is almost as common as being uninsured all year: 12 percent of women are uninsured for part of the year, while 14 percent of women are uninsured all year (Figure 1). Younger women and men are the most likely to be uninsured for part of the year.



*Women have less access to employer-sponsored insurance because they are less likely to be employed and more likely to work part-time.*

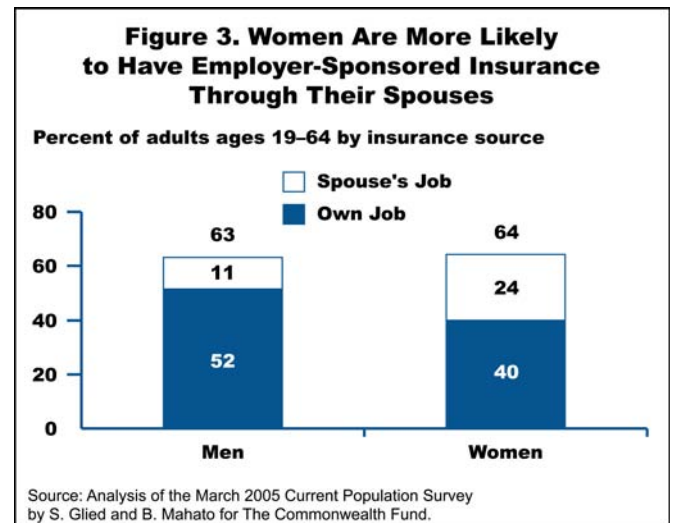
Individuals who are not employed or who work part-time are more likely to be uninsured; the uninsurance rate for those who are not working is 26 percent, while it is 18 percent for full-time workers ([Table 1, p. 8](#)). The employment status of uninsured women differs from that of men. Thirty-five percent of uninsured women do not work, compared with only 18 percent of uninsured men (Figure 2). When uninsured women do

work, they are more likely to work part-time than are uninsured men. While all part-time workers are less likely to be insured, only 13 percent of uninsured men work part-time while 22 percent of uninsured women work part-time.



*Women are more likely to depend on their spouses for insurance and therefore face more instability in their coverage.*

Women are more than twice as likely as men to get employer-sponsored insurance through their spouses. Twenty-four percent of women are insured through their spouse's job, compared with only 11 percent of men (Figure 3). Though it is beneficial that women have the option to get coverage through their spouses, such insurance (known as dependent coverage) is a less stable form of coverage. A dependent must rely not only on her spouse staying in the job but also on the continuation of the marriage and the employer's willingness to cover dependents. Recently, in an effort to contain their health care costs, employers have actually



been cutting back on dependent coverage. In fact, between 2001 and 2005, employers dropping such coverage accounted for 11 percent of the decline in employer-sponsored insurance overall.<sup>5</sup>

Older adults are particularly at risk. Among adults ages 50 to 64, there are 3.5 million uninsured women and 3.1 million uninsured men ([Table 1, p. 8](#)). Women are more likely to be married to an older spouse, which places them at risk of losing dependent coverage when their spouse becomes eligible for Medicare.<sup>6</sup> Women without coverage through their own employers who lose their spouse's coverage may be forced to turn to the individual market for their insurance, which is especially costly for those with health issues—not uncommon among women in the 50-to-64 age group.<sup>7</sup>

*A small percentage of women purchase individual health insurance, which is more expensive to secure.*

Only about 10.3 million adults, or 6 percent of nonelderly adults (ages 19–64), get insurance through the individual market.<sup>8</sup> According to one survey, roughly 58 million adults over a three-year period considered buying coverage in the individual market, yet close to 90 percent of them never purchased a plan.<sup>9</sup>

Slightly more women than men (5.4 million vs. 4.9 million) purchase insurance in the individual market.<sup>10</sup> Women with individual coverage have higher incomes (76% of women purchasing individual coverage are at 200 percent of the federal poverty level or higher), and are older (55% are ages 45–65).<sup>11</sup> More than one-third (35%) are unemployed.<sup>12</sup>

Women covered by individual health insurance are also relatively healthy: 88 percent report excellent, very good, or good health, while only 12 percent report they are in fair or poor health.<sup>13</sup> These findings suggest that women who have a greater need for health insurance face barriers in purchasing individual insurance coverage because they can be denied coverage altogether—for example, because of a preexisting condition—or charged unaffordably high rates.

### Women Face Difficulty in Affording Health Services

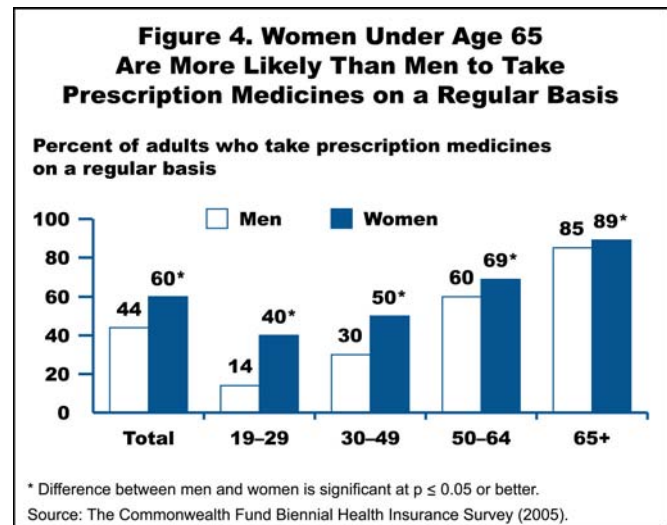
*Women are more likely to have lower incomes than men.*

Women are somewhat more likely to be poor. Seventeen percent of women ages 19 to 64 are below 100 percent of the federal poverty level, compared with 13 percent of men in that age group; poverty rates for younger women are even greater.<sup>14</sup> In terms of earnings, in 2004 the median earnings of female workers age 15 and over were \$22,224, compared with \$32,486 for men. Among full-time workers, women earn only 76.5 cents for every dollar that men earn.<sup>15</sup>

*On average, women use more health care services.*

Women are more likely than men to need health care throughout their lifetimes. Women's reproductive health needs require them to get regular check-ups, whether or not they have children, and women of all ages are more likely than men—60 percent versus 44 percent—to take prescription medications on a regular basis (Figure 4). For younger women, this difference is even greater; women ages 19 to 29 use prescription drugs at

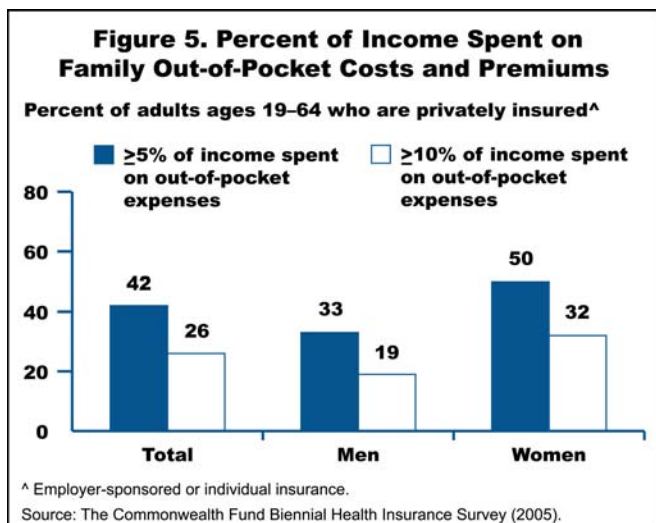
almost three times the rate of men in that age group. Further, women are more likely than men to have a chronic condition requiring ongoing treatment (38% vs. 30%).<sup>16</sup> Finally, certain mental health problems, including anxiety and depression, affect twice as many women as men.<sup>17</sup>



*Women have higher out-of-pocket costs than men as a share of their income.*

About 12 percent of all insured individuals ages 19 to 64 are considered underinsured because they have high out-of-pocket costs relative to their income.<sup>18</sup> Because women's greater health care needs and rates of use, combined with their lower incomes, lead them to have higher out-of-pocket costs, more women than men are underinsured (16% vs. 9%). Women insured through employer-sponsored insurance or with an individual policy are more likely than men to spend more than 10 percent of their income on out-of-pocket costs and premiums (Figure 5).

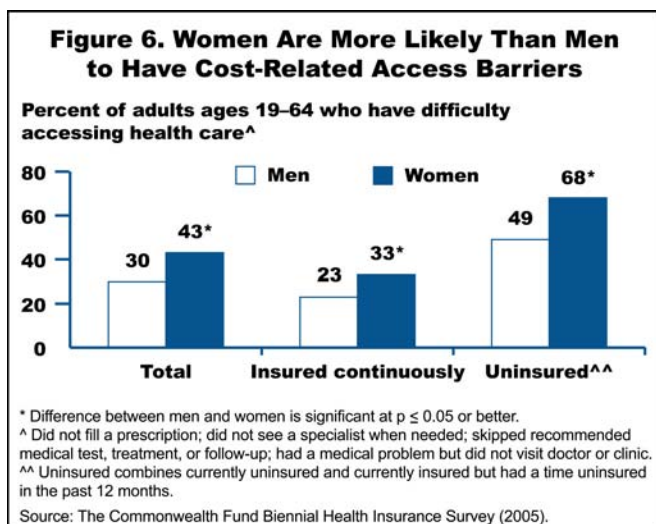
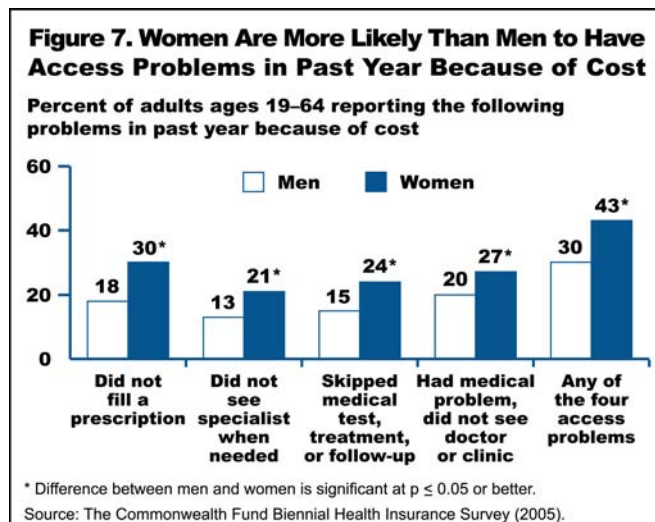




*Women are more likely to avoid needed health care because of cost.*

Overall, women are more likely than men to have difficulty obtaining needed health care (43% vs. 30%)—a difference more pronounced for uninsured women (68% vs. 49%) (Figure 6). When asked which, if any, of four access problems were encountered in the past year, women reported

higher rates with every problem as compared with men (Figure 7). Though women are more likely to face cost-related access barriers regardless of their age, the barriers are particularly dramatic for young women (ages 19–29) when compared with young men—50 percent versus 33 percent (data not shown). Ironically, even though young adult women are more likely to have insurance than young adult men, half of these women reported problems accessing health care because of cost in the past year.



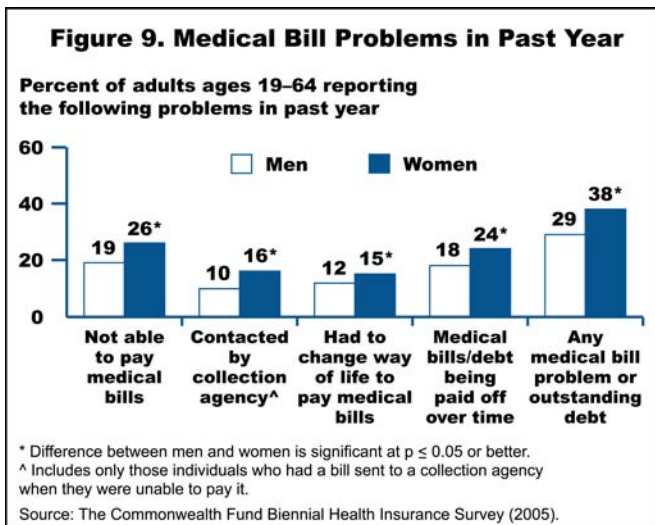
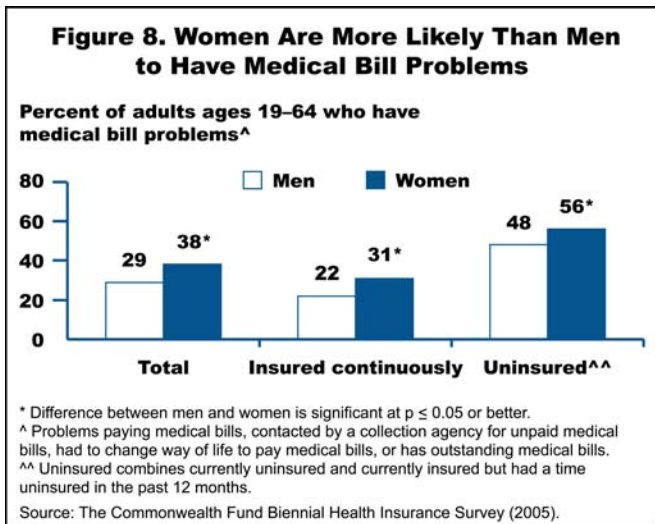
*Women are more likely to have medical bill and debt problems.*

Whether they are insured or uninsured, women are also somewhat more likely than men to have problems paying for their care. Nearly two of five women (38%) report medical bill problems, compared with 29 percent of men (Figure 8).<sup>19</sup> Among the uninsured, 56 percent of women report difficulty paying bills. About one-quarter (26%) of women said they were not able to pay

their medical bills (Figure 9). Adult women under age 50 have the greatest difficulty paying for care, possibly reflecting their responsibility both for their own medical care and that of their children (data not shown).

### Conclusion

Though the data suggest that men and women have some similar challenges with regard to health insurance, women face unique barriers to becoming insured. In particular, women are less likely to have coverage through their own employer and more likely to obtain coverage through their spouses as dependents. More significantly, women have greater difficulty affording health care services even once they are insured. Women are more likely to have lower incomes than men and therefore have greater difficulty paying premiums. They are more likely to use more health care and to have higher out-of-pocket health care expenses. The combination of lower incomes and higher out-of-pocket spending means that many women are more likely to spend greater than 10 percent of their income on health care expenditures and premiums. Given these factors, policy proposals that provide comprehensive benefits at affordable cost would help more women obtain meaningful coverage. Conversely, reforms that result in higher out-of-pocket expenses and limited benefits will not significantly improve the health and financial security of women.<sup>20</sup>



## NOTES

- <sup>1</sup> C. Schoen, M. M. Doty, S. R. Collins, and A. L. Holmgren, “[Insured But Not Protected: How Many Adults Are Underinsured?](#)” *Health Affairs* Web Exclusive (June 14, 2005):w5-289–w5-302.
- <sup>2</sup> E. M. Patchias and J. G. Waxman, *Women and Health Coverage: A Framework for Moving Forward* (Washington, D.C.: National Women’s Law Center, Apr. 2007).
- <sup>3</sup> Analysis of the March 2005 Current Population Survey, by S. Glied and B. Mahato, for The Commonwealth Fund.
- <sup>4</sup> ERIU Research Highlight, Economic Research Initiative, available at <http://www.umich.edu/~eriu/qa-fastfacts.html>.
- <sup>5</sup> Ibid.
- <sup>6</sup> J. M. Lambrew, *Diagnosing Disparities in Health Insurance for Women: A Prescription for Change* (New York: The Commonwealth Fund, Aug. 2001).
- <sup>7</sup> S. R. Collins, C. Schoen, M. M. Doty, A. L. Holmgren, and S. K. H. How, *Paying More for Less: Older Adults in the Individual Insurance Market* (New York: The Commonwealth Fund, June 2005).
- <sup>8</sup> Analysis of the March 2005 Current Population Survey, by S. Glied and B. Mahato, for The Commonwealth Fund.
- <sup>9</sup> S. R. Collins, J. L. Kriss, K. Davis, M. M. Doty, and A. L. Holmgren, *Squeezed: Why Rising Exposure to Health Care Costs Threatens the Health and Financial Well-Being of American Families* (New York: The Commonwealth Fund, Sept. 2006).
- <sup>10</sup> Analysis of the March 2005 Current Population Survey, by S. Glied and B. Mahato, for The Commonwealth Fund.
- <sup>11</sup> A. Salganicoff, U. R. Rangi, and R. Wyn, *Women and Health Care: A National Profile* (Menlo Park, Calif.: Henry J. Kaiser Family Foundation, July 2005).
- <sup>12</sup> Ibid.
- <sup>13</sup> Salganicoff et al., *Women and Health Care*, 2005.
- <sup>14</sup> NWLC calculations from the Current Population Survey 2005 Annual Social and Economic Supplement, Table POV34.
- <sup>15</sup> Current Population Survey 2004 Poverty Tables, <http://pubdb3.census.gov/macro/032005/pov/toc.htm>.
- <sup>16</sup> Salganicoff et al., *Women and Health Care*, 2005.
- <sup>17</sup> National Women’s Law Center and Oregon Health and Science University, *Making the Grade on Women’s Health: A National and State-by-State Report Card* (Washington, D.C.: NWLC, 2004).
- <sup>18</sup> Specifically, “underinsured” is defined either as having medical expenses (excluding premiums) that represent 10 percent or more of income; medical expenses (excluding premiums) for low income (defined as being below 200 percent of the federal poverty level) that represent 5 percent or more of income; or a deductible that represents 5 percent or more of income. Schoen et al., “Insured But Not Protected,” 2005.
- <sup>20</sup> Medical-bill problems include difficulty paying medical bills, has been contacted by a collection agency for unpaid medical bills, has had to change his or her way of life to pay medical bills, or has outstanding medical bills.
- <sup>19</sup> Patchias and Waxman, *Women and Health Coverage*, 2007.

**Table 1. Comparison of Men and Women Ages 19–64, 2004**

	Total				Men				Women			
	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)
<b>Total in millions</b>	178.1	36.5	36.5	36.5	87.8	19.7	19.7	19.7	90.3	16.7	16.7	16.7
<b>Percent distribution</b>	100%		20%	100%	100%		23%	100%	100%	19%	100%	100%
<b>Income (as a percent of poverty)</b>												
<100%	15%	12.2	46%	33%	13%	6.0	53%	30%	17%	6.2	40%	37%
100%–199%	16%	10.0	35%	28%	16%	5.5	40%	28%	17%	4.6	30%	27%
200%+	69%	14.3	12%	39%	72%	8.3	13%	42%	66%	6.0	10%	36%
<b>Race/Ethnicity</b>												
White	68%	18.3	15%	50%	68%	9.8	16%	50%	68%	8.5	14%	51%
Black	12%	5.3	25%	15%	11%	2.7	28%	13%	13%	2.7	23%	16%
Hispanic	14%	10.3	42%	28%	15%	5.9	46%	30%	13%	4.4	37%	26%
Other	7%	2.6	22%	7%	6%	1.4	24%	7%	7%	1.2	20%	7%
<b>Age</b>												
19–23	11%	6.5	33%	18%	11%	3.6	36%	18%	11%	2.8	29%	17%
24–29	13%	7.2	30%	20%	14%	4.2	35%	21%	13%	3.0	26%	18%
30–35	14%	5.5	23%	15%	14%	3.1	26%	16%	13%	2.4	20%	14%
36–49	34%	10.7	18%	29%	34%	5.7	19%	29%	34%	5.0	16%	30%
50–64	28%	6.6	13%	18%	27%	3.1	13%	16%	28%	3.5	14%	21%
<b>Family status</b>												
Married with children	31%	7.5	14%	21%	30%	3.6	14%	18%	32%	3.8	13%	23%
Married w/o children	27%	7.2	15%	20%	27%	3.5	15%	18%	26%	3.6	15%	22%
Single with children	7%	3.1	24%	8%	4%	1.0	28%	5%	10%	2.1	23%	12%
Single w/o children	35%	18.7	30%	51%	39%	11.5	34%	58%	32%	7.2	25%	43%



**Table 1. Comparison of Men and Women Ages 19–64, 2004 (continued)**

	Total			Men			Women					
	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)	Total distribution (%)	Number uninsured (millions)	Uninsured rate (%)	Distribution of uninsured (%)
<b>Total in millions</b>	178.1	36.5	36.5	36.5	87.8	19.7	19.7	19.7	90.3	16.7	16.7	16.7
<b>Percent distribution</b>	100%		20%	100%	100%		23%	100%	100%		19%	100%
<b>Work status</b>												
Full-time	66%	20.9	18%	57%	78%	13.7	20%	69%	55%	7.2	14%	43%
Part-time	13%	6.1	26%	17%	8%	2.5	35%	13%	18%	3.6	22%	22%
Not working	20%	9.5	26%	26%	14%	3.6	29%	18%	26%	5.9	25%	35%
<b>Firm size</b>												
<25	24%	13.4	31%	37%	28%	8.7	35%	44%	20%	4.7	26%	28%
25–99	10%	3.5	20%	10%	11%	2.2	22%	11%	9%	1.4	17%	8%
100–499	10%	2.8	15%	8%	11%	1.6	17%	8%	10%	1.1	13%	7%
500+	35%	7.3	12%	20%	35%	3.6	12%	18%	35%	3.7	12%	22%
Not working	20%	9.5	26%	26%	14%	3.6	29%	18%	26%	5.9	25%	35%
<b>Health status</b>												
Excellent	30%	9.4	17%	26%	31%	5.3	19%	27%	30%	4.1	15%	25%
Very good	34%	12.0	20%	33%	34%	6.6	22%	33%	34%	5.4	18%	32%
Good	25%	11.1	25%	30%	24%	5.9	27%	30%	25%	5.2	23%	31%
Fair	8%	3.1	23%	8%	7%	1.6	25%	8%	8%	1.5	21%	9%
Poor	3%	0.9	16%	2%	3%	0.4	17%	2%	3%	0.5	16%	3%

Note: Subgroup numbers and percents may not sum to totals because of rounding.

Source: Analysis of the March 2005 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

## STUDY METHODS

Most data in this issue brief are from three surveys: the Annual Social and Economic Supplement to the Current Population Survey (CPS), 2005; the Medical Expenditure Panel Survey (MEPS), 2004; and the Commonwealth Fund Biennial Health Insurance Survey, 2005. Sherry Glied and Bisundev Mahato of Columbia University's Mailman School of Public Health provided analysis of the CPS and MEPS.

The CPS and MEPS are federal surveys sponsored by the Census Bureau and the Agency for Healthcare Research and Quality, respectively. The CPS, which is the primary source of information on U.S. labor-force characteristics, is conducted monthly on a sample of some 57,000 households representing approximately 140,000 people. The Annual Social and Economic Supplement to the CPS is conducted in March of each year with a sample of about 99,000 households. The MEPS uses an overlapping-panel design in which data are collected in a series of five interviews over a 30-month period, with a new panel started each year. The sample size in 2004 was about 13,000 families, representing approximately 33,000 people.

The 2005 Commonwealth Fund Biennial Health Insurance Survey was conducted by Princeton Survey Research Associates International from August 18, 2005, through January 5, 2006. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 4,350 adults age 19 and older living in the continental United States. Statistical results are weighted to correct for the disproportionate sample design and to make the final total sample results representative of all adults age 19 and older living in the continental U.S. The data are weighted to the U.S. adult population by age, sex, race/ethnicity, education, household size, geographic region, and telephone service interruption, using the U.S. Census Bureau's 2005 Annual Social and Economic Supplement. The resulting weighted sample is representative of the nation's approximately 212 million adults age 19 and older.

### ABOUT THE AUTHORS

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